

# 4Q FY23 Performance Review

March 2, 2023

 Dell Technologies

# Disclosures

## NON-GAAP FINANCIAL MEASURES

This presentation includes information about non-GAAP revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP cash flow from operations, non-GAAP income tax, non-GAAP net income, non-GAAP net income attributable to Dell Technologies Inc., non-GAAP earnings per share - basic and non-GAAP earnings per share - diluted, as well as non-GAAP interest and other, net, adjusted EBITDA, free cash flow and adjusted free cash flow (collectively the “non-GAAP financial measures”), which are not measurements of financial performance prepared in accordance with U.S. generally accepted accounting principles. We have provided a reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures in Appendix B and Appendix D.

## SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

Statements in this presentation that relate to future results and events are forward-looking statements and are based on Dell Technologies' current expectations. In some cases, you can identify these statements by such forward-looking words as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “confidence,” “may,” “plan,” “potential,” “should,” “will” and “would,” or similar expressions. Actual results and events in future periods may differ materially from those expressed or implied by these forward-looking statements because of a number of risks, uncertainties and other factors, including those discussed in Dell Technologies' periodic reports filed with the Securities and Exchange Commission. Dell Technologies assumes no obligation to update its forward-looking statements.

## SPIN-OFF OF VMWARE, INC.

On November 1, 2021, Dell Technologies Inc. completed its spin-off of VMware, Inc. In accordance with applicable accounting guidance, the results of VMware, Inc., excluding Dell's resale of VMware, Inc. offerings, are presented as discontinued operations in the Consolidated Statements of Income and, as such, have been excluded from both continuing operations and segment results for all periods prior to the spin-off. The results of Dell's resale of VMware, Inc.'s standalone offerings are classified within Other Businesses, which does not meet the definition of a reportable segment. The Consolidated Statements of Cash Flows have not been recast to reflect the operating cash flows of VMware, Inc. as discontinued operations. Except as noted, this presentation is consistent with the foregoing accounting guidance. In Appendix C we present consolidated GAAP results inclusive of net income attributable to discontinued operations.

# FY23 Overview



## Strong execution on the back of 17% growth in FY22

- Record revenue of \$102.3B, up 1%
  - 1H23 revenue up 12%; 2H23 revenue down -9%
- Operating income of \$5.8B, up 24%
- Non-GAAP operating income of \$8.6B, up 11% and 8.4% of revenue<sup>1</sup>
- Diluted EPS of \$3.24 and diluted non-GAAP EPS<sup>1</sup> of \$7.61, up 22%

## Record ISG Results and strong relative share gains

- Record ISG revenue of \$38.4B, up 12%
  - Record revenue in both servers & networking and storage
- Record ISG operating income of over \$5B, up 35%
- Gained 140+ bps of commercial PC unit share (CY22)<sup>2</sup>; expect to gain at least a point of share across storage and mainstream server revenue when IDC releases CY22 results

## Delivering against our shareholder return framework

- Returned \$3.8B to shareholders
  - Repurchased 62.4M shares for \$2.8B and paid approximately \$1B in dividends
- Raising our annual dividend 12% from \$1.32 to \$1.48 per share, reflecting confidence in our long-term business model and our ability to grow our cash flow over time

<sup>1</sup> See supplemental slides in Appendix B for reconciliation of non-GAAP measures to GAAP.

<sup>2</sup> Per IDC WW Quarterly PC Device Tracker, CY22Q4

# Q4 FY23 Overview



## Delivered against our commitments

- Revenue of \$25.0B, down 11%
- Operating income of \$1.2B, down 26%
- Non-GAAP operating income of \$2.2B, down 1% and 8.7% of revenue<sup>1</sup>
- Diluted EPS of \$0.84, and diluted non-GAAP EPS<sup>1</sup> of \$1.80, up 5%
- ISG revenue of \$9.9B, up 7%, with record profitability
  - Record storage revenue of \$5B, up 10%,
  - Servers & networking revenue of \$4.9B, up 5%
- CSG revenue of \$13.4B, down -23%
  - PC market down sharply in calendar Q4 (-28% Y/Y per IDC)<sup>2</sup>

## Focusing on what we can control

- Delivering for our customers
- Driving differentiated performance
- Executing against our innovation agenda
- Managing our cost position
- Maintaining pricing discipline

<sup>1</sup> See supplemental slides in Appendix B for reconciliation of non-GAAP measures to GAAP.

<sup>2</sup> Per IDC WW Quarterly PC Device Tracker

# Q4 and FY23 highlights

Strong FY23 execution in a tale of two halves with 1H up +12% and 2H down -9%

\$ in millions, except per share amounts		4Q23	Y/Y	FY23	Y/Y
<b>Dell</b>	Revenue	25,039	-11%	102,301	1%
	Operating Income	1,189	-26%	5,771	24%
	Diluted EPS	\$0.84	NM	\$3.24	-48%
	Non-GAAP Revenue	25,039	-11%	102,301	1%
	Non-GAAP Operating Income	2,170	-1%	8,637	11%
	Non-GAAP Diluted EPS	\$1.80	5%	\$7.61	22%
<b>CSG</b>	CSG Revenue	13,361	-23%	58,213	-5%
	Operating Income	671	-42%	3,824	-12%
	Commercial Revenue	10,697	-17%	45,556	0%
	Consumer Revenue	2,664	-40%	12,657	-20%
<b>ISG</b>	ISG Revenue	9,905	7%	38,356	12%
	Operating Income	1,543	40%	5,045	35%
	Servers & Networking Revenue	4,940	5%	20,398	14%
	Storage Revenue	4,965	10%	17,958	9%

## EPS Growth

FY23 diluted non-GAAP EPS of \$7.61, up 22%

## Share Gain

Gained 140+ bps of Commercial PC unit share<sup>1</sup> and expect to gain share across storage and servers in CY22

## Server Growth

Servers and networking reported its 9th consecutive quarter of Y/Y growth

## Storage Growth

4<sup>th</sup> consecutive quarter of revenue growth, with demand growth across multiple storage types

# Dell Technologies investment thesis

Leading market positions and a differentiated strategy, supported by durable competitive advantages, generate consistent growth and significant value creation

- **We are uniquely positioned in the data and multicloud era**

---

- **Leadership positions** in large, stable, and expanding markets with strong underlying fundamentals

---

- **A differentiated strategy** to
  - Win the consolidation and modernization of our core markets
  - Build new businesses where Dell has a unique right to win

---

- **Durable and reinforcing competitive advantages** that uniquely position Dell to win in core and adjacent markets

---

- A track record of **consistent growth, profitability, and shareholder value creation**

## Attractive long-term financial model

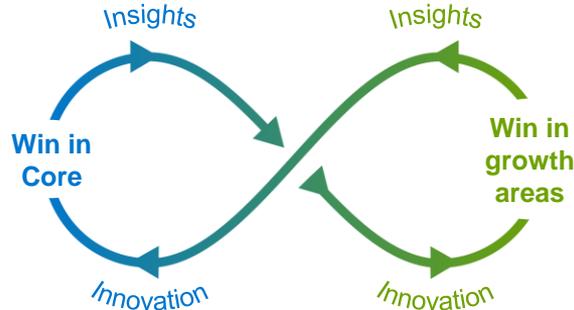
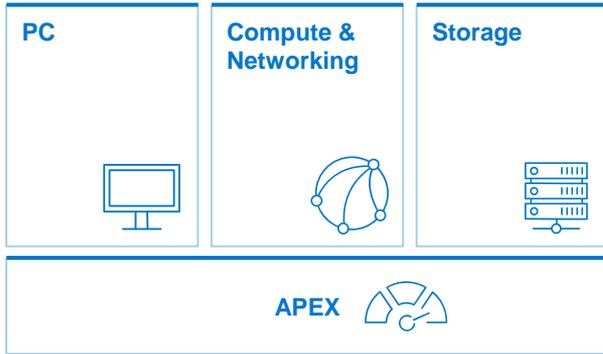
- 3 - 4% Revenue growth
- 6+% Diluted EPS growth
- NI to Adj. FCF Conversion of 100% or better
- Target returning 40 - 60% of Adj. FCF to shareholders



# Dell Technologies strategy

Leading market positions and a differentiated strategy, supported by durable competitive advantages

## Grow and modernize the Core business



## Build new growth businesses where we have a unique right to win



### STRATEGY SUPPORTED BY DURABLE COMPETITIVE ADVANTAGES

  
#1 positions in  
CSG and ISG

  
E2E product  
and Multicloud  
offerings

  
Largest GTM  
and Channel  
ecosystem

  
Leading global  
services footprint

  
Industry-leading  
scale and supply  
chain

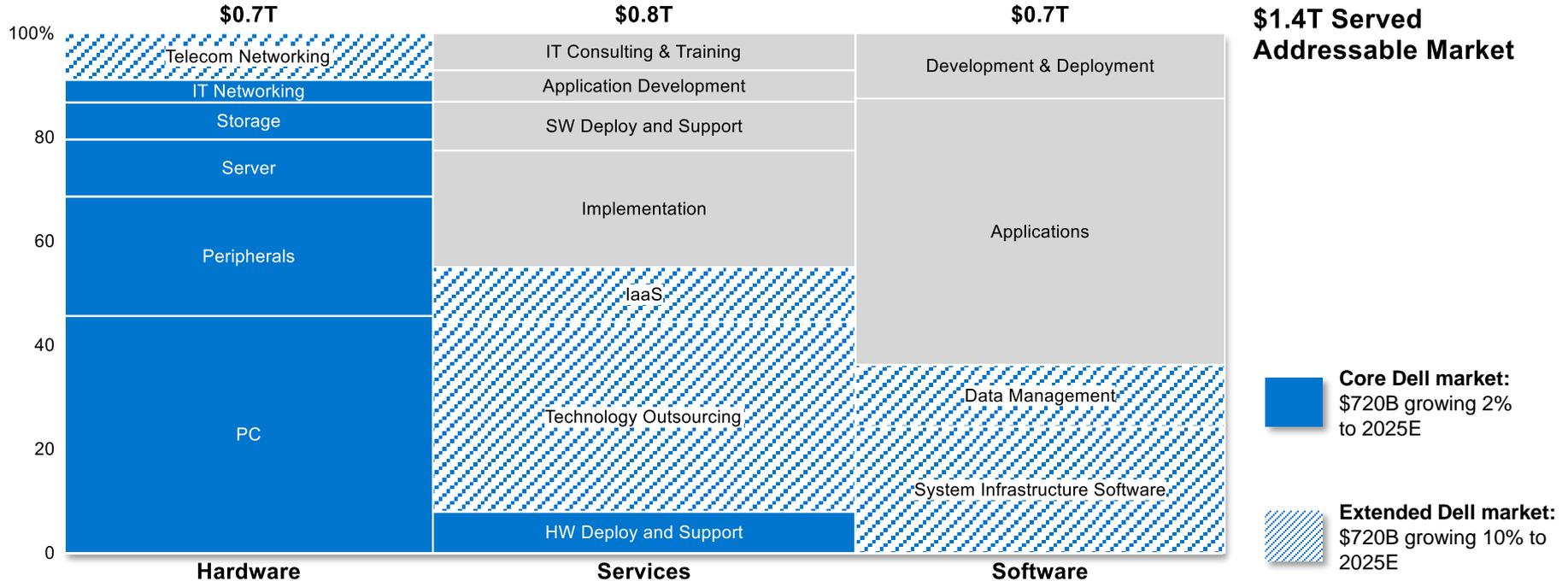
  
Leading  
financial services  
capabilities

  
First & best  
VMware alliance

# Ample room to grow within \$720B core business TAM

... and pursuing growth in adjacent markets within an incremental \$720B TAM

## 2021 Global IT market



Note: PC includes PC and Tablet

Source: Dell CSG TAM estimate (PC, Peripherals); Dell ISG TAM estimate (Server, Storage, IT Networking); OECD Economic Outlook 2022 (GDP growth rate); IDC Worldwide ICT Spending Guide 2021 data (remaining); excludes from ICT Spending Guide categories far out of the scope of Dell's business (e.g., mobile phone hardware, telecom services, BPO services)

Copyright © Dell Inc. All Rights Reserved.

# Dell Technologies Storage key leadership positions

We have #1 positions in all key storage categories

**#1** External Enterprise Storage

Dell maintained the #1 position with 28.0% share

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY22Q3

**#1** High end Storage

Dell maintained the #1 position with 42.5% share

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY22Q3

**#1** Mid range Storage

Dell maintained the #1 position with 26.5% share

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY22Q3

**#1** Storage Software

Dell maintained the #1 position with 10.2% share

Per IDC WW Storage Software and Cloud Services Tracker CY22Q3

**#1** Converged Systems

Dell maintained the #1 position with 50.3% share

Per IDC WW Quarterly Converged Systems Tracker CY22Q3

**#1** Hyperconverged Systems

Dell maintained the #1 position with 38.5% share

Per IDC WW Quarterly Converged Systems Tracker CY22Q3

**#1** Purpose-Built Backup Appliance

Dell maintained the #1 position with 45.9% share

Per IDC WW Quarterly Purpose-Built Backup Appliance Tracker CY22Q3

**#1** All Flash Array

Dell maintained the #1 position with 28.7% share

Per IDC WW Quarterly Enterprise Storage Systems Tracker CY22Q3

# Dell Technologies Server & PC key leadership positions

We have #1 positions in servers and the most profitable segments of the PC market

**#1** Server  
Units

Dell is the leader in x86 server units with 14.2% share

Per IDC WW Quarterly Server Tracker CY22Q3

**#1** Client  
Business

Leading Client Business by revenue

Client PC & upsell revenue statistic calculated by Dell Technologies primarily by utilizing other PC OEMs' financial public filings, as of Q3 FY23

**#1** PC  
Workstations

Dell maintained the #1 position with 45.5% share

Per IDC WW Quarterly Workstation Tracker CY22Q4

**#1** North America  
Commercial PC

Dell is the leader with 33.5% share

Per IDC WW Quarterly PC Device Tracker, CY22Q4. Includes workstations

**#1** Server  
Revenue

Dell is the leader in x86 server revenue with 17.4% share

Per IDC WW Quarterly Server Tracker CY22Q3

**#1** PC  
Monitors

Dell maintained the #1 position with 21.2% share

Per IDC WW Quarterly Monitor Tracker CY22Q4

**#1** High-End  
PC Gaming

Dell maintained the #1 position with 24.4% share

Per IDC Quarterly Gaming Tracker, CY22Q4, \$1,500+ price band

**#1** North America  
Desktops

Dell is the leader with 29.6% share

Per IDC WW Quarterly PC Device Tracker, CY22Q4

# Multicloud Strategy

We are broadening our ecosystem to help make multicloud a reality for our customers

We have a significant presence with many of the leading cloud-based companies in the world, providing infrastructure to 77%<sup>1</sup> of them. Our CSP customers, which include SaaS, telecom, cloud hosting companies and consumer webtech represent roughly 21%<sup>2</sup> of our ISG portfolio. Our goal is to bring a holistic multicloud experience to our customers through existing offerings and expansions via Project Alpine & Project Frontier.

## Multicloud Offerings



**AWS EKS-Anywhere container platform running on top of VxRail**

**Microsoft Azure Stack HCI solution**

**PowerScale for Google Cloud**

**PowerProtect Cyber Recovery for AWS, Azure, and now for GCP**

**CyberSense for PowerProtect Cyber Recovery for AWS**

## Project Alpine



**First announced in January, Project Alpine is bringing our file, block, and object storage software to all major public clouds to deliver data mobility and consistent operations across cloud and on-premises locations**

PowerFlex now available in the AWS Marketplace

- The first of Dell's storage software offerings to be made available in the public cloud via Project Alpine
- Delivers customers the mission critical performance, scale, resilience, and management of PowerFlex with the ability to purchase using their existing cloud credits

## Project Frontier



**Dell Technologies initiative to deliver an edge operations software platform to securely scale edge applications and infrastructure for deployments across a broad set of industries**

With Project Frontier, customers can

- Orchestrate applications and manage infrastructure remotely at global scale
- Secure their edge estate with zero trust security
- Design edge deployments with global planning and support services

<sup>1</sup> Based on the past 3 years, not including hyperscalers.

<sup>2</sup> Based on FY23 data

# Dell APEX

Our portfolio of subscription-based as-a-Service solutions

## Dell APEX Private Cloud

Simplify operations with built-in lifecycle automation capabilities with infrastructure owned and deployed by Dell for VMware workloads

## Dell APEX Backup Services

Scalable, efficient and secure hosted data protection for SaaS Apps, Endpoints, and Hybrid workloads

## Dell APEX Data Center Utility

Enterprise clients can move part of or all their data center operations to a Dell managed pay-per-use model, leveraging the full suite of Dell's portfolio

## Dell APEX High Performance Computing

Run large scale, compute-intensive workloads delivered as-a-Service with a fully managed, subscription-based experience

## Dell APEX Cyber Recovery Services

Dell managed day-to-day data protection and recovery operations assistance from an isolated, immutable & intelligent data vault

## Dell APEX Flex on Demand

Customers choose on-premises infrastructure & minimum usage, leveraging the full suite of Dell's portfolio

## Dell APEX Hybrid Cloud

Deliver a consistent and secure cloud experience for VMware workloads across multiple clouds

## Dell APEX Data Storage Services

Dell managed at a customer site or co-located through our Equinix partnership

## PROFESSIONAL SERVICES FOR DELL APEX

## DELL APEX USE CASES

AI

Analytics

Containers

VDI

HPC

Edge

Data Protection

Databases

Microsoft

Oracle

SAP

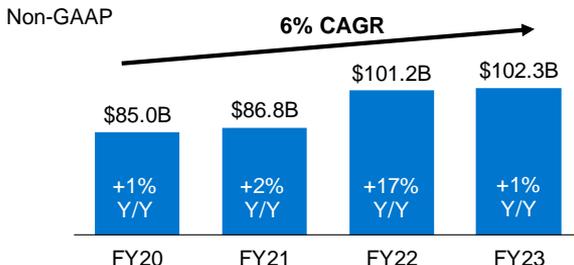
# Proven track record of performance

Consistent, profitable growth over time with strong cash flow and a commitment to capital returns

## Long-term Performance

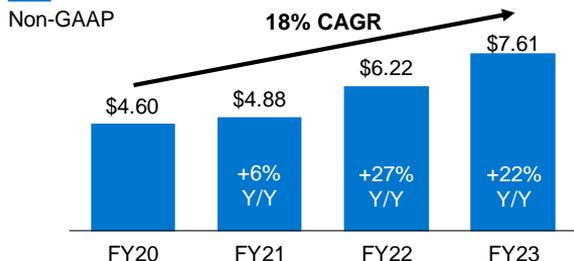
- We have grown revenue at a **6% CAGR** and diluted EPS at an **18% CAGR** over the last 3 years
- We continue to structurally gain share in our core markets<sup>4</sup>
  - 9 points of mainstream server revenue share over last ten years
  - 4 points of midrange storage share over the last five years
  - 10 consecutive years of commercial PC unit share gains
- We have delivered **\$18.5B** of adjusted FCF over the last 4 years
- We have returned **\$4.5B** to shareholders since instituting a capital return policy in September 2021

## Revenue<sup>1,2</sup>



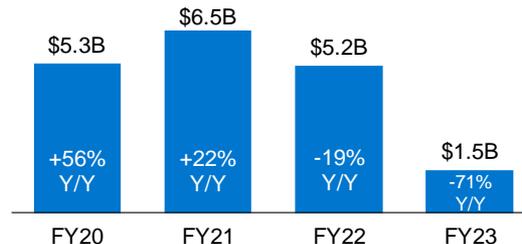
Revenue growth > IT Spending excl'd Telecom<sup>3</sup>

## Diluted EPS<sup>1,2</sup>



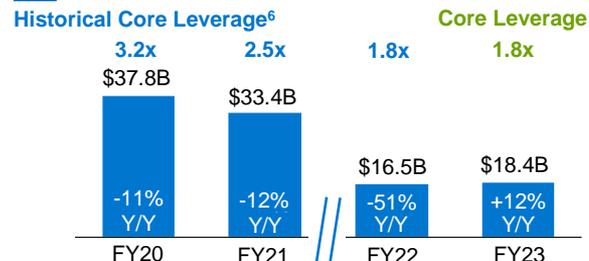
EPS growing faster than Revenue

## Adjusted Free Cash Flow<sup>1</sup>



~\$4.6B Avg. Annual Adj FCF FY20-FY23

## Core Debt and Other<sup>5</sup>



Approaching 1.5x Core Leverage Target

1) See Appendix B for a reconciliation of these measures to their most directly comparable GAAP measures. 2) Revenue and non-GAAP diluted earnings per share are presented on a continuing operations basis. 3) 6% CAGR CY18-CY21 according to IDC Worldwide Black Book. 4) Per IDC WW Quarterly Server Tracker 3QCY22, data between 3QCY12 – 3QCY22 TTM. Per IDC WW Quarterly Enterprise Storage Systems Tracker 3QCY22, data between 3QCY17 – 3QCY22 TTM. Per IDC PC Units Q4CY22, data between Q1CY12 – Q4CY22. 5) Core debt + margin loan, mirror note, and other debt, excluding public subsidiary debt and DFS related debt. 6) FY19-FY21 core leverage ratio is presented on a historical basis and calculated as Core debt / ((TTM Dell Tech adj. EBITDA excluding VMW) + (81% of TTM VMW EBITDA) - (TTM DFS EBITDA)). FY22 is recast to be presented on a continuing operations basis and is calculated as Core debt / ((TTM adj. EBITDA) - (TTM DFS EBITDA)). DFS estimated EBITDA calculated as a 4% return on assets comprised of financing receivables and DFS operating lease balance. 4% return on assets is derived from a peer benchmark analysis and is an indicative proxy for DFS EBITDA

# Capital Allocation Priorities

Returned \$3.8B to shareholders over the past twelve months and raising our dividend

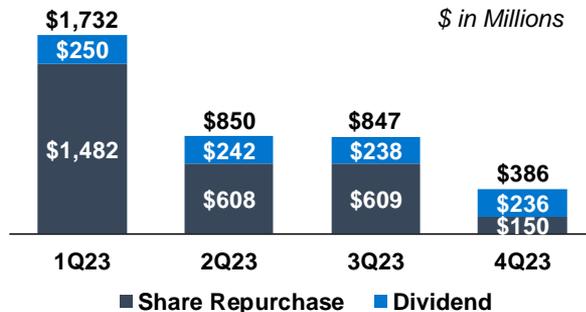
## Attractive long-term financial model

- 3 - 4% Revenue growth
- 6+% EPS growth
- NI to Adj. FCF Conversion of 100% or better
- Target returning 40 - 60% of Adj. FCF to shareholders

Target returning 40 - 60% of Adj. FCF to shareholders

During Q4

- We paid \$236M in dividends, at 33¢ per share
- We repurchased 3.7M shares of stock for \$150M



## Dividends

- We paid \$1.32 per share, or ~\$1B during the first year of our dividend program
- We are raising our annual dividend ~12% to \$1.48 per share this year, subject to quarterly Board approval

## Share Repurchase

- We've repurchased 62M shares for \$2.8B over the past 12 months
- Following a programmatic approach to managing dilution and will buy back shares opportunistically based on market conditions

Invest remaining 40 - 60% in the business, growth opportunities and debt repayment

Reinvest in organic growth opportunities

Targeted M&A that accelerates our strategy

Additional debt paydown as we work toward our 1.5x core leverage<sup>1</sup> target

# Consolidated GAAP results<sup>1,2</sup>

We are focused on maximizing long-term value creation for all shareholders

\$ in millions, except per share amounts	4Q22	1Q23	2Q23	3Q23	4Q23	Y/Y	Q/Q	FY22	FY23	Y/Y
<b>Revenue</b>	<b>27,992</b>	<b>26,116</b>	<b>26,425</b>	<b>24,721</b>	<b>25,039</b>	<b>-11%</b>	<b>1%</b>	<b>101,197</b>	<b>102,301</b>	<b>1%</b>
<b>Gross Margin</b>	<b>5,618</b>	<b>5,784</b>	<b>5,439</b>	<b>5,707</b>	<b>5,756</b>	<b>2%</b>	<b>1%</b>	<b>21,891</b>	<b>22,686</b>	<b>4%</b>
<i>Gross Margin as a % of Revenue</i>	<i>20.1%</i>	<i>22.1%</i>	<i>20.6%</i>	<i>23.1%</i>	<i>23.0%</i>			<i>21.6%</i>	<i>22.2%</i>	
SG&A	3,398	3,553	3,543	3,268	3,772	11%	15%	14,655	14,136	-4%
R&D	611	681	626	677	795	30%	17%	2,577	2,779	8%
<b>Operating Expense</b>	<b>4,009</b>	<b>4,234</b>	<b>4,169</b>	<b>3,945</b>	<b>4,567</b>	<b>14%</b>	<b>16%</b>	<b>17,232</b>	<b>16,915</b>	<b>-2%</b>
<i>Operating Expense as a % of Revenue</i>	<i>14.4%</i>	<i>16.2%</i>	<i>15.8%</i>	<i>16.0%</i>	<i>18.3%</i>			<i>17.0%</i>	<i>16.6%</i>	
<b>Operating Income</b>	<b>1,609</b>	<b>1,550</b>	<b>1,270</b>	<b>1,762</b>	<b>1,189</b>	<b>-26%</b>	<b>-33%</b>	<b>4,659</b>	<b>5,771</b>	<b>24%</b>
<i>Operating Income as a % of Revenue</i>	<i>5.7%</i>	<i>5.9%</i>	<i>4.8%</i>	<i>7.1%</i>	<i>4.7%</i>			<i>4.6%</i>	<i>5.6%</i>	
<b>Interest and Other, Net</b>	<b>(1,657)</b>	<b>(337)</b>	<b>(635)</b>	<b>(1,308)</b>	<b>(266)</b>	<b>84%</b>	<b>80%</b>	<b>1,264</b>	<b>(2,546)</b>	<b>-301%</b>
<b>Income Tax</b>	<b>(19)</b>	<b>144</b>	<b>129</b>	<b>213</b>	<b>317</b>	<b>NM</b>	<b>49%</b>	<b>981</b>	<b>803</b>	<b>-18%</b>
<i>Effective tax rate %</i>	<i>39.6%</i>	<i>11.9%</i>	<i>20.3%</i>	<i>46.9%</i>	<i>34.3%</i>			<i>16.6%</i>	<i>24.9%</i>	
<b>Net Income from Continuing Operations</b>	<b>(29)</b>	<b>1,069</b>	<b>506</b>	<b>241</b>	<b>606</b>	<b>NM</b>	<b>151%</b>	<b>4,942</b>	<b>2,422</b>	<b>-51%</b>
Less: Net Income attributable to non-controlling interests from cont. ops	(1)	(3)	(5)	(4)	(8)	-700%	-100%	(6)	(20)	-233%
<b>Net Income attributable to Dell Technologies Inc. from cont. ops</b>	<b>(28)</b>	<b>1,072</b>	<b>511</b>	<b>245</b>	<b>614</b>	<b>-93%</b>	<b>-52%</b>	<b>4,948</b>	<b>2,442</b>	<b>-51%</b>
<b>Earnings Per Share from cont. ops - basic</b> <sup>3</sup>	<b>(\$0.04)</b>	<b>1.42</b>	<b>0.69</b>	<b>0.34</b>	<b>0.86</b>	<b>NM</b>	<b>153%</b>	<b>6.49</b>	<b>3.33</b>	<b>-49%</b>
<b>Earnings Per Share cont. ops - diluted</b> <sup>3</sup>	<b>(\$0.04)</b>	<b>1.37</b>	<b>0.68</b>	<b>0.33</b>	<b>0.84</b>	<b>NM</b>	<b>155%</b>	<b>6.26</b>	<b>3.24</b>	<b>-48%</b>

<sup>1</sup> Results include adjustments related to purchase accounting and other items. For additional detail on these adjustments, please refer to supplemental slides in Appendix B.

<sup>2</sup> Results are presented on a continuing operations basis only. See Appendix C for consolidated GAAP results inclusive of net income attributable to discontinued operations.

<sup>3</sup> See Appendix B for weighted average shares and EPS calculation.

# Consolidated non-GAAP results<sup>1</sup>

Record FY23 revenue, operating income, and EPS

\$ in millions, except per share amounts	4Q22	1Q23	2Q23	3Q23	4Q23	Y/Y	Q/Q	FY22	FY23	Y/Y
<b>Revenue</b>	<b>28,000</b>	<b>26,116</b>	<b>26,425</b>	<b>24,721</b>	<b>25,039</b>	-11%	1%	<b>101,229</b>	<b>102,301</b>	<b>1%</b>
<b>Gross Margin</b>	<b>5,818</b>	<b>5,941</b>	<b>5,650</b>	<b>5,865</b>	<b>5,971</b>	3%	2%	<b>22,684</b>	<b>23,427</b>	<b>3%</b>
<i>Gross Margin as a % of Revenue</i>	<i>20.8%</i>	<i>22.7%</i>	<i>21.4%</i>	<i>23.7%</i>	<i>23.8%</i>			<i>22.4%</i>	<i>22.9%</i>	
SG&A	3,074	3,198	3,134	2,882	3,098	1%	7%	12,628	12,312	-3%
R&D	553	608	564	603	703	27%	17%	2,271	2,478	9%
<b>Operating Expense</b>	<b>3,627</b>	<b>3,806</b>	<b>3,698</b>	<b>3,485</b>	<b>3,801</b>	5%	9%	<b>14,899</b>	<b>14,790</b>	<b>-1%</b>
<i>Operating Expense as a % of Revenue</i>	<i>13.0%</i>	<i>14.5%</i>	<i>14.0%</i>	<i>14.1%</i>	<i>15.1%</i>			<i>14.7%</i>	<i>14.5%</i>	
<b>Operating Income</b>	<b>2,191</b>	<b>2,135</b>	<b>1,952</b>	<b>2,380</b>	<b>2,170</b>	-1%	-9%	<b>7,785</b>	<b>8,637</b>	<b>11%</b>
<i>Operating Income as a % of Revenue</i>	<i>7.8%</i>	<i>8.2%</i>	<i>7.4%</i>	<i>9.6%</i>	<i>8.7%</i>			<i>7.7%</i>	<i>8.4%</i>	
<b>Interest and Other, Net</b>	<b>(335)</b>	<b>(358)</b>	<b>(371)</b>	<b>(353)</b>	<b>(383)</b>	-14%	-8%	<b>(1,724)</b>	<b>(1,465)</b>	<b>15%</b>
<b>Income Tax</b>	<b>466</b>	<b>343</b>	<b>315</b>	<b>322</b>	<b>465</b>	0%	44%	<b>1,137</b>	<b>1,445</b>	<b>27%</b>
<i>Effective tax rate %</i>	<i>25.1%</i>	<i>19.3%</i>	<i>19.9%</i>	<i>15.9%</i>	<i>26.0%</i>			<i>18.8%</i>	<i>20.1%</i>	
<b>Net Income</b>	<b>1,390</b>	<b>1,434</b>	<b>1,266</b>	<b>1,705</b>	<b>1,322</b>	-5%	-22%	<b>4,924</b>	<b>5,727</b>	<b>16%</b>
Less: Net Income attributable to non-controlling interests	-	(1)	(2)	(2)	(2)	NM	-	1	(7)	-800%
<b>Net Income attributable to Dell Technologies Inc.</b>	<b>1,390</b>	<b>1,435</b>	<b>1,268</b>	<b>1,707</b>	<b>1,324</b>	-5%	-22%	<b>4,923</b>	<b>5,734</b>	<b>16%</b>
<b>Earnings Per Share - basic</b> <sup>2</sup>	<b>1.82</b>	<b>1.90</b>	<b>1.72</b>	<b>2.34</b>	<b>1.85</b>	2%	-21%	<b>6.46</b>	<b>7.81</b>	<b>21%</b>
<b>Earnings Per Share - diluted</b> <sup>2</sup>	<b>1.72</b>	<b>1.84</b>	<b>1.68</b>	<b>2.30</b>	<b>1.80</b>	5%	-22%	<b>6.22</b>	<b>7.61</b>	<b>22%</b>

<sup>1</sup> See supplemental slides in Appendix B for reconciliation of non-GAAP measures to GAAP.

<sup>2</sup> See Appendix B for weighted average shares and EPS calculation.

# Select financial metrics

Average cash flow from operations of \$5.8B over the past 4 years<sup>1</sup>



Q4 cash flow from operations was \$2.7B; inventory was down \$1.4B sequentially

Cash and investments was \$10.2B and core debt was \$18.1B ending the year

RPO was down Y/Y due to a reduction in backlog, partially offset by a 10% Y/Y increase in deferred revenue

Recurring revenue<sup>4</sup> was \$5.6B during Q4, up 12% Y/Y

<sup>1</sup> Cash flow from operations, excluding VMware. \$5.8B average between FY20-FY23.

<sup>2</sup> See supplemental slides in Appendix B for reconciliation of adjusted free cash flow to cash flow from operations.

<sup>3</sup> Remaining performance obligations (RPO) include deferred revenue and committed contract value not included in deferred revenue.

<sup>4</sup> We define recurring revenue as revenue recognized primarily related to hardware and software maintenance as well as subscription, as-a-Service, usage-based offerings, and operating leases.

# Infrastructure Solutions Group

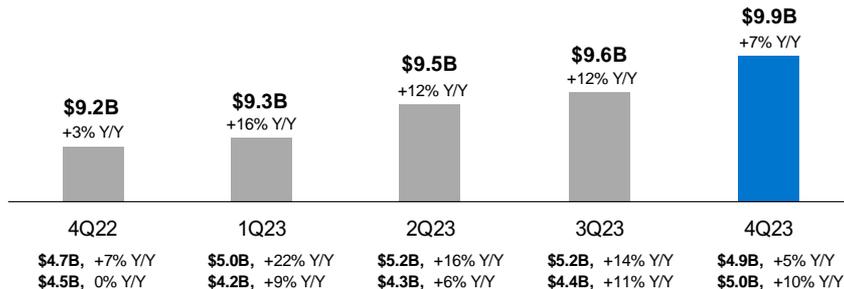
Delivered our eighth consecutive quarter of Y/Y revenue growth with record profitability

## REVENUE

**\$9.9B**

+7% Y/Y  
+3% Q/Q

Servers & Networking  
Storage



Strong revenue growth and record operating income as we benefited from cost favorability, pricing discipline, and higher revenue

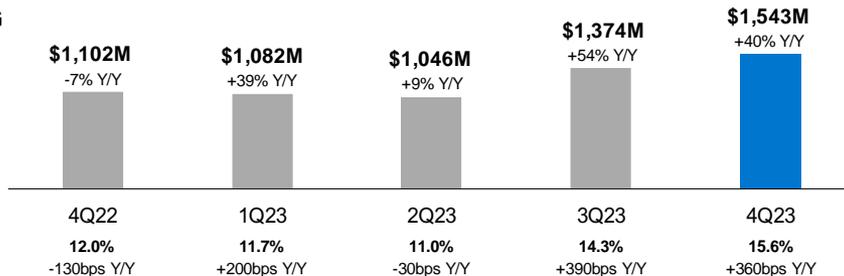
Servers and networking revenue grew 5% Y/Y, its 9<sup>th</sup> consecutive quarter of growth, despite a weak server demand environment

## OPERATING INCOME

**\$1.5B**

+40% Y/Y  
+12% Q/Q

% of ISG revenue  
Basis points



Storage revenue was up 10% Y/Y, its 4<sup>th</sup> consecutive quarter of growth

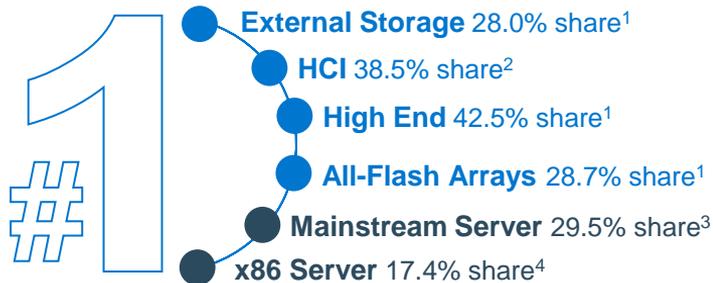
Storage demand growth across multiple categories, including PowerFlex, VxRail, Data Protection and PowerStore

<sup>1</sup> Amounts are based on underlying data and may not visually foot due to rounding.

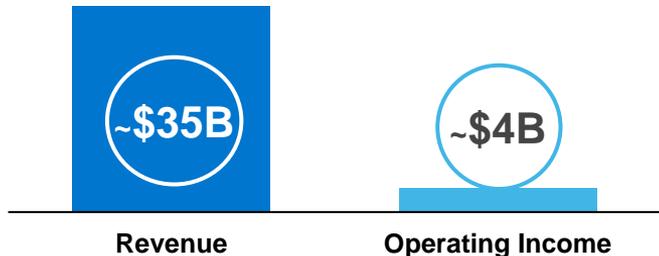
# ISG has a strong portfolio of #1 positions

With steady financial performance and a growing TAM

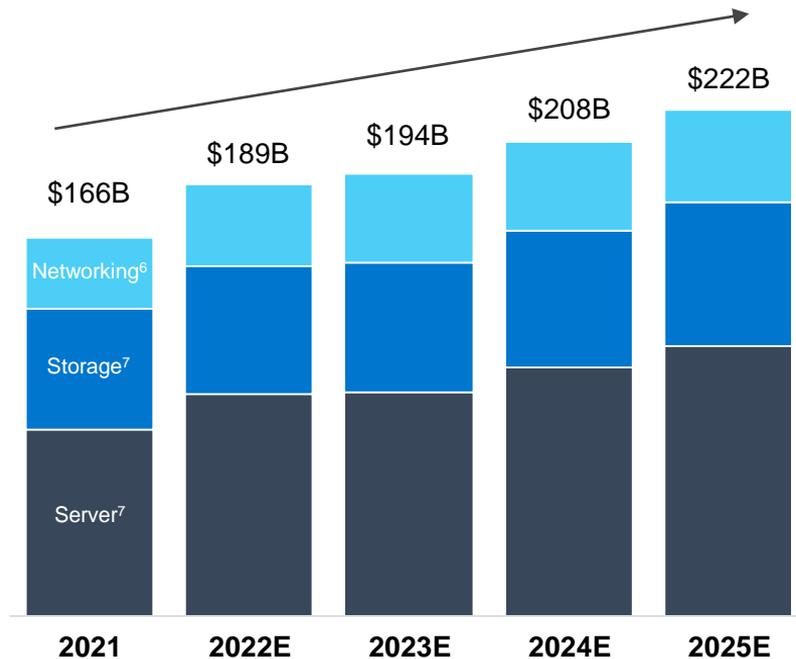
## Leadership positions in Storage / Server



## Financial performance (3 year average<sup>5</sup>)



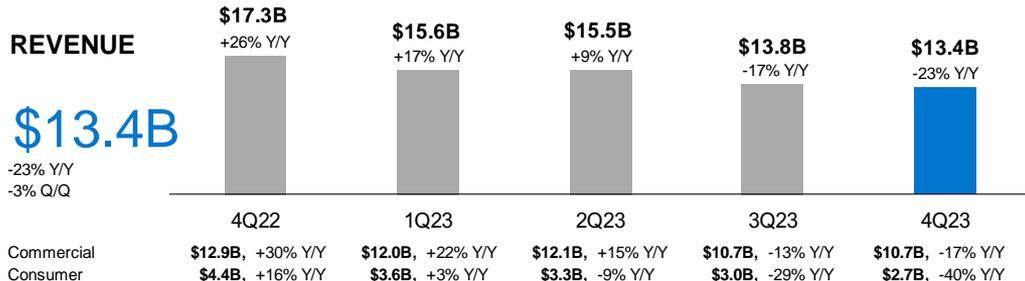
## TAM is growing



1) IDC Quarterly Enterprise Storage Systems Tracker, 2022Q3, based on revenue. 2) IDC Quarterly Converged Systems Tracker 2022Q3, based on revenue. 3) IDC Quarterly Server Tracker, 2022Q3, based on revenue. Mainstream Server is based on OEM vendor type and includes: Large System, Standard Rack, Tower, and Blade. 4) IDC Quarterly Server Tracker, 2022Q3, based on revenue. 5) FY21-FY23. 6) Dell'Oro CY23-26 forecasts (Networking). 7) Dell analysis leveraging external data sources: IDC 2022Q3 Forecasts (Server, Storage); TAM note: Storage includes Core Storage, Data Protection, and HCI; Server is total server less HCI HW.

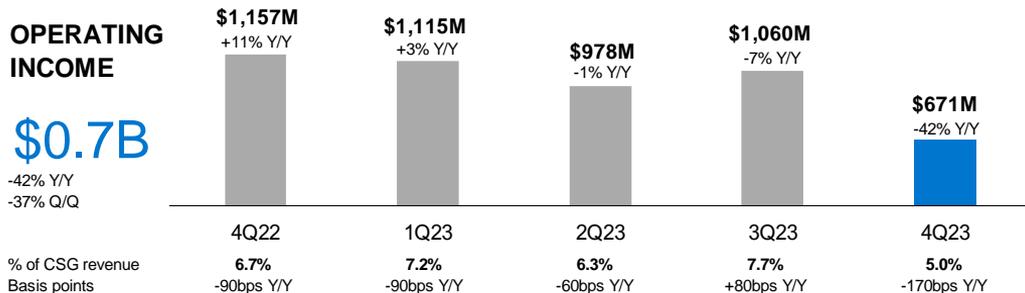
# Client Solutions Group

Focused on our principal markets – commercial PC, high-end consumer, and gaming



CSG revenue has grown at an 8% CAGR since FY20 and FY23 revenue remained above pre-pandemic levels

Gained 140+ bps of Commercial PC unit share in CY22<sup>2</sup>, our tenth consecutive year of share gains<sup>3</sup>



The near-term PC market remains challenged and was down sharply in calendar Q4 (-28% Y/Y)<sup>3</sup>

Q4 operating income declined primarily due to descaling amid a challenged PC market, partially offset by a better gross margin rate

<sup>1</sup> Amounts are based on underlying data and may not visually foot due to rounding.

<sup>2</sup> Source: IDC Worldwide PC Tracker Q4 CY22 Final Historical.

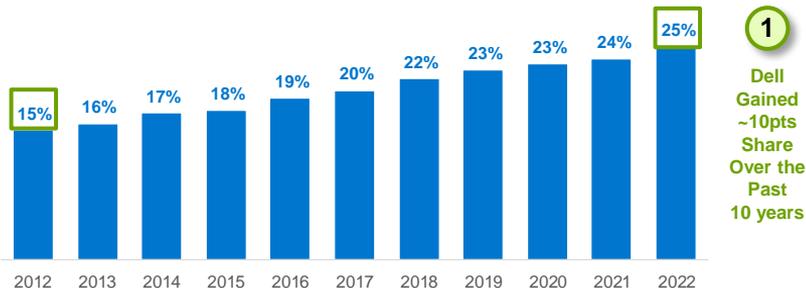
<sup>3</sup> Based on units, as of the Q4 CY22 IDC data. Data between Q1 CY2012 – Q4 CY2022

# Focused on the most stable & profitable PC segments

Long track record of structural share gain ... and will continue to consolidate and modernize

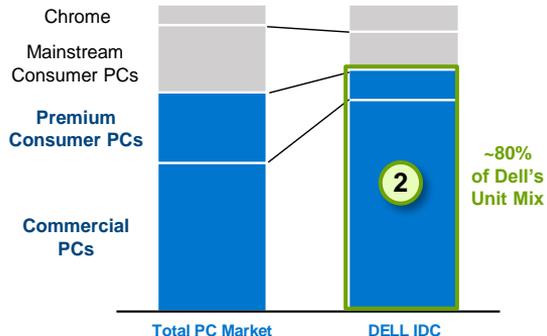
## Dell Commercial PC Unit Share

(IDC Commercial PC Units)



## PC Unit Mix

(IDC CY2022 Units)



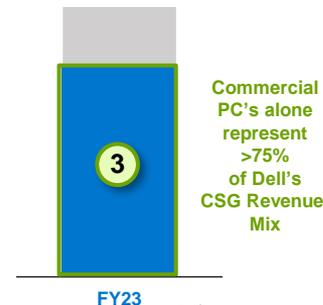
## Observations

### Commercial & High-end Consumer PC's

- 1 ~10pts Commercial PC unit share gain over the past 10 years
- 2 Dell has a higher mix of Commercial & Premium PC Units vs the industry, and more importantly ...
- 3 >75% of Dell's PC Revenue is from Commercial PC's

## Dell's Focus Areas

- Commercial PC's
- High-End Consumer
- Gaming



Note: Premium Consumer includes units with ASP > \$800; Mainstream Consumer includes units with ASP <= \$800; Dell High-end Consumer PC's refer to primarily XPS and Alienware Products.  
Source: IDC Worldwide PC Tracker 2022 Q4 Final Historical.

# Shaping our customers' digital future

Customers are increasingly turning to Dell Technologies as a trusted, strategic partner

## NASA

Working towards a shared goal of human progress, Dell has provided computing systems and services to NASA for more than a decade, including for the recent Artemis 1 launch, which marked the first to put humans back on the moon since the Apollo 17 mission in 1972.

## Petrobras

Brazilian oil and gas company Petrobras is working with Dell Technologies to build its new supercomputer, Gaia. The new HPC system will feature 7.7 petaflops of computing power, allowing Petrobras to add another powerful exploration tool to help find oil or gas every time they drill.

## Zurich Insurance Group

Zurich Insurance Group is working with Dell Technologies to provide its workforce the latest Dell PCs and peripherals. Configured to their specific needs, Zurich is ensuring employees can start work immediately, from anywhere, and support customers across over 210 countries and territories.

## TMS Entertainment

TMS Entertainment, an animation production company in Tokyo, Japan, has been creating hit works for more than 50 years. The company is undergoing a digital transformation to support animation production, video licensing and merchandising initiatives -- turning to Dell APEX Backup Services to back up its entire virtualization infrastructure directly to the cloud.

## PhonePe

PhonePe is India's largest payments app, providing financial services to more than 435 million users and 35 million merchants. It's working with Dell and NTT to create its first green data center designed with alternative cooling technologies, which will facilitate quick and reliable transactions while also helping the company reduce its carbon footprint.

## Philosofish

Greece-based Philosofish supplies sustainably farmed fresh Mediterranean fish across Europe and the U.S. It's taking a multicloud approach using Microsoft Azure and Dell APEX Backup Services after acquisitions boosted their annual production capacity by 400%. Dell APEX ensures applications and data are readily available and has provided significant cost savings.

# FY23 Innovation Overview

Our innovation engine continues to advance in strategic areas like edge, multicloud, and as-a-Service

## Dell APEX

**APEX Cyber Recovery Services** - Dell managed day-to-day data protection and recovery operations assistance from an isolated, immutable & intelligent data vault

**Dell APEX Containers for Red Hat Openshift** - Offers an on-premises, Dell-managed Container-as-a-Service solution to empower developer innovation

**Dell APEX High Performance Compute** - Empowers organizations to run large scale, compute-intensive workloads delivered as-a-Service with a fully managed, subscription-based experience

**Dell APEX VMware Tanzu support** - New offerings for VMware workloads that help speed development of cloud-native apps and better allocate compute and storage resources for applications at the edge

### **Dell APEX Data Storage Services** -

**Custom Managed:** gives organizations increased control of their as-a-Service experience by owning more of the day-to-day management.

**Back Up Target:** provides customers with secure backup storage in a flexible as-a-Service consumption model

## Next Gen 16G PowerEdge Servers

New PowerEdge servers designed to accelerate performance and reliability with greater security, including purpose built servers to support core data centers, AI/ML workloads, cloud service providers and Edge/Telecom

## Storage

During Q1, we announced new PowerMax, PowerStore, and PowerFlex that included over 500 new software enhancements to our industry leading storage portfolio

## Concept Luna

Building on Concept Luna, our new Latitude 5000 series laptops are Dell's most sustainable laptops yet. The new design incorporates recycled ocean-bound plastics, renewable bio-based rubber, and 100% recyclable packaging that is made of 100% recycled or renewable materials

## Multicloud

### **Project Alpine**

First announced in January, PowerFlex is now available in the AWS Marketplace

### **Project Frontier**

Initiative to deliver edge operations software platform to securely scale edge applications and infrastructure for deployments across a broad set of industries

### **Snowflake Partnership**

We are helping customers have greater flexibility operating in multicloud environments, meet data sovereignty requirements, and easily turn data into insights.

### **Starburst Data Partnership**

Our Latest collaboration with Starburst Data will allow our analytics customers to deliver flexible and efficient architectures by combining the fastest and most secure query engine and leading hardware platforms for compute and storage

**And many more...**

# Guidance

## Q1 FY24<sup>1</sup>

- Revenue expected to be seasonally lower than average, down sequentially between -17% and -21%, -19% at the midpoint, with expected FX headwind of ~300 bps
  - Expect ISG revenue to be down sequentially in the mid 20s
  - Except CSG revenue to be down sequentially in the mid teens
- Expect gross margin rates to be slightly up sequentially. Non-GAAP gross margin rates to remain relatively flat sequentially
- For non-GAAP tax rate<sup>2</sup>, assume 24% plus or minus 100 bps
- Diluted share count expected to be roughly 737M to 742M shares.
- Diluted EPS expected to be \$0.33 plus or minus \$0.15. Diluted non-GAAP EPS expected to be \$0.80 plus or minus \$0.15, down sequentially primarily driven by lower revenue

## FY24<sup>1</sup>

- Revenue expected to be down between -12% and -18%, -15% at the midpoint
  - Implies a return to sequential growth as we move through the year
- Interest & other will be down ~\$900M Y/Y due to the Class V litigation settlement expense incurred in FY23<sup>3</sup>. Non-GAAP interest & other to be up ~\$200M as we fund DFS originations in a higher interest rate environment
- For non-GAAP tax rate<sup>2</sup>, assume 24% plus or minus 100 bps
- Diluted EPS expected to be \$3.41 plus or minus \$0.30. Diluted non-GAAP EPS expected to be \$5.30 plus or minus \$0.30

<sup>1</sup> Please refer to Appendix D for reconciliation of non-GAAP measures to GAAP.

<sup>2</sup> The estimated tax rate does not include the impact of any possible law changes.

<sup>3</sup> No estimates are included for FY24 guidance purposes on potential fair value adjustments on strategic investments given the potential volatility of either gains or losses on those equity investments.

# ESG Highlights<sup>1</sup>

From our latest ESG reporting<sup>2</sup> and external recognition

Advancing sustainability. Cultivating inclusion. Transforming lives. Upholding ethics & privacy.



## Environmental

**90% sustainable materials** used in our packaging

**-30% reduction** in Scopes 1 & 2 market-based **greenhouse gas emissions** since FY20

**55%** of electricity from **renewable sources** across Dell facilities

**Net-Zero** goal across our full value chain **by 2050** or earlier



## Social

**159M+ people** reached with **education, healthcare or financial inclusion** programs

**99.6%** of our employees participated in **foundational learning on key DE&I topics** (up ~67%)

**88% of team members** rated their job as **meaningful**

**47%** of our employees participated in **Employee Resource Groups (ERGs)** to drive Social Impact



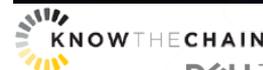
## Governance

**Formal ESG governance** established with cross-functional executive leadership

**Board of Directors** receives regular ESG updates

**100% of employees** completed assigned ethics and compliance training

Robust **shareholder engagement** program driving ongoing **governance enhancements**



Source: 1.) Metrics are for Dell Technologies; excluding Secureworks. 2.) FY22 Environmental, Social, and Governance Report.

# Appendix A

Debt and DFS summary

# Debt summary<sup>1</sup>

\$ in billions <sup>2,3</sup>	4Q22	1Q23	2Q23	3Q23	4Q23
Revolver	-	-	-	-	-
Term Loan A	-	-	-	-	-
Term Loan B	-	-	-	-	-
Senior Notes	16.3	16.3	16.3	16.3	18.3
High Yield Notes	-	-	-	-	-
Legacy Dell IG Notes	1.0	1.0	1.0	1.0	1.0
Legacy EMC IG Notes	-	-	-	-	-
DFS Allocated Debt	(1.1)	(0.7)	(1.1)	(1.0)	(1.2)
<b>Total Core Debt <sup>4</sup></b>	<b>16.1</b>	<b>16.5</b>	<b>16.1</b>	<b>16.2</b>	<b>18.1</b>
<b>Margin Loan and Other</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
DFS Debt	9.6	9.9	9.7	10.1	10.3
DFS Allocated Debt	1.1	0.7	1.1	1.0	1.2
<b>Total DFS Related Debt</b>	<b>10.8</b>	<b>10.6</b>	<b>10.8</b>	<b>11.1</b>	<b>11.5</b>
<b>Total Debt</b>	<b>27.2</b>	<b>27.4</b>	<b>27.2</b>	<b>27.6</b>	<b>29.9</b>

<sup>1</sup> Debt balances are presented on a historical basis.

<sup>2</sup> Amounts are based on underlying data and may not visually foot due to rounding.

<sup>3</sup> Principal Face Value.

<sup>4</sup> Core debt represents the total principal amount of our debt, less: (a) public subsidiary debt, (b) DFS related debt, and (c) other debt.

# DFS summary

\$ in billions	4Q22	1Q23	2Q23	3Q23	4Q23
<b>Originations</b> <sup>1</sup>	<b>2.7</b>	<b>2.1</b>	<b>2.3</b>	<b>2.3</b>	<b>3.0</b>
Trailing twelve months	8.5	8.7	9.1	9.4	9.7
<b>Financing Receivables</b> <sup>2</sup>	<b>10.6</b>	<b>10.2</b>	<b>10.3</b>	<b>10.6</b>	<b>10.9</b>
<b>Operating Leases</b> <sup>3</sup>	<b>1.7</b>	<b>1.9</b>	<b>2.0</b>	<b>2.1</b>	<b>2.2</b>
<b>Total Managed Assets</b> <sup>4</sup>	<b>13.5</b>	<b>13.2</b>	<b>13.5</b>	<b>13.8</b>	<b>14.7</b>

<sup>1</sup> Originations represent the amounts of financing provided by DFS to customers for equipment and related software and services, including third-party originations.

<sup>2</sup> Amounts represent financing receivables included on the Dell Technologies Consolidated Statements of Financial Position.

<sup>3</sup> Amounts represent net carrying value of equipment for DFS operating leases.

<sup>4</sup> Total managed assets consists of financing receivables, syndicated receivables DFS still service, operating leases, and committed contract value for flex on demand.

# Appendix B

Supplemental non-GAAP measures

# Supplemental non-GAAP measures

## Revenue and gross margin

\$ in millions	4Q22	1Q23	2Q23	3Q23	4Q23
<b>GAAP revenue</b>	<b>27,992</b>	<b>26,116</b>	<b>26,425</b>	<b>24,721</b>	<b>25,039</b>
Impact of purchase accounting <sup>1</sup>	8	-	-	-	-
<b>Non-GAAP revenue</b>	<b>28,000</b>	<b>26,116</b>	<b>26,425</b>	<b>24,721</b>	<b>25,039</b>
<b>GAAP gross margin</b>	<b>5,618</b>	<b>5,784</b>	<b>5,439</b>	<b>5,707</b>	<b>5,756</b>
Amortization of intangibles	150	104	105	106	99
Impact of purchase accounting <sup>1</sup>	8	2	-	-	-
Stock-based compensation	37	38	37	37	40
Other corporate expenses <sup>2</sup>	5	13	69	15	76
<b>Total adjustments to gross margin</b>	<b>200</b>	<b>157</b>	<b>211</b>	<b>158</b>	<b>215</b>
<b>Non-GAAP gross margin</b>	<b>5,818</b>	<b>5,941</b>	<b>5,650</b>	<b>5,865</b>	<b>5,971</b>
<i>GM % of non-GAAP revenue</i>	<i>20.8%</i>	<i>22.7%</i>	<i>21.4%</i>	<i>23.7%</i>	<i>23.8%</i>

<sup>1</sup> This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction in 3Q17.

<sup>2</sup> Consists of severance, facilities action, impairment, and other costs.

# Supplemental non-GAAP measures

## SG&A, R&D and operating expense

\$ in millions	4Q22	1Q23	2Q23	3Q23	4Q23
<b>GAAP SG&amp;A</b>	<b>3,398</b>	<b>3,553</b>	<b>3,543</b>	<b>3,268</b>	<b>3,772</b>
Amortization of intangibles	(173)	(139)	(139)	(139)	(139)
Impact of purchase accounting <sup>1</sup>	(12)	(7)	(3)	(21)	(11)
Transaction (costs) income <sup>2</sup>	22	(5)	(3)	(8)	(6)
Stock-based compensation	(127)	(138)	(142)	(142)	(129)
Other corporate expenses <sup>3</sup>	(34)	(66)	(122)	(76)	(389)
<b>Non-GAAP SG&amp;A</b>	<b>3,074</b>	<b>3,198</b>	<b>3,134</b>	<b>2,882</b>	<b>3,098</b>
<b>GAAP R&amp;D</b>	<b>611</b>	<b>681</b>	<b>626</b>	<b>677</b>	<b>795</b>
Stock-based compensation	(52)	(56)	(57)	(56)	(59)
Other corporate expenses <sup>3</sup>	(6)	(17)	(5)	(18)	(33)
<b>Non-GAAP R&amp;D</b>	<b>553</b>	<b>608</b>	<b>564</b>	<b>603</b>	<b>703</b>
<b>GAAP operating expenses</b>	<b>4,009</b>	<b>4,234</b>	<b>4,169</b>	<b>3,945</b>	<b>4,567</b>
Amortization of intangibles	(173)	(139)	(139)	(139)	(139)
Impact of purchase accounting <sup>1</sup>	(12)	(7)	(3)	(21)	(11)
Transaction (costs) income <sup>2</sup>	22	(5)	(3)	(8)	(6)
Stock-based compensation	(179)	(194)	(199)	(198)	(188)
Other corporate expenses <sup>3</sup>	(40)	(83)	(127)	(94)	(422)
<b>Total adjustments to operating expenses</b>	<b>(382)</b>	<b>(428)</b>	<b>(471)</b>	<b>(460)</b>	<b>(766)</b>
<b>Non-GAAP operating expenses</b>	<b>3,627</b>	<b>3,806</b>	<b>3,698</b>	<b>3,485</b>	<b>3,801</b>
<i>OpEx % of non-GAAP revenue</i>	<i>13.0%</i>	<i>14.5%</i>	<i>14.0%</i>	<i>14.1%</i>	<i>15.1%</i>

<sup>1</sup> This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction in 3Q17.

<sup>2</sup> Consists of acquisition, integration, and divestiture-related costs.

<sup>3</sup> Consists of impairment charges, severance, facilities action, incentive charges related to equity investments, other costs, and effective Q1FY23, payroll taxes associated with stock-based compensation. 4Q23 contains \$281 million in severance expense associated with our announcement on Feb 6, 2023.

# Supplemental non-GAAP measures

## Operating Income

\$ in millions	4Q22	1Q23	2Q23	3Q23	4Q23
<b>GAAP operating income</b>	<b>1,609</b>	<b>1,550</b>	<b>1,270</b>	<b>1,762</b>	<b>1,189</b>
<b>Non-GAAP adjustments:</b>					
Amortization of intangibles	323	243	244	245	238
Impact of purchase accounting <sup>1</sup>	20	9	3	21	11
Transaction costs (income) <sup>2</sup>	(22)	5	3	8	6
Stock-based compensation	216	232	236	235	228
Other corporate expenses <sup>3</sup>	45	96	196	109	498
<b>Total adjustments to operating income</b>	<b>582</b>	<b>585</b>	<b>682</b>	<b>618</b>	<b>981</b>
<b>Non-GAAP operating income</b>	<b>2,191</b>	<b>2,135</b>	<b>1,952</b>	<b>2,380</b>	<b>2,170</b>
<i>OpInc % of non-GAAP revenue</i>	<i>7.8%</i>	<i>8.2%</i>	<i>7.4%</i>	<i>9.6%</i>	<i>8.7%</i>

<sup>1</sup> This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction in 3Q17.

<sup>2</sup> Consists of acquisition, integration, and divestiture-related costs.

<sup>3</sup> Consists of impairment charges, severance, facilities action, incentive charges related to equity investments, other costs, and effective Q1FY23, payroll taxes associated with stock-based compensation. During Q2FY23, other corporate expenses also includes asset impairment charges and other costs associated with exiting our business in Russia. 4Q23 contains \$367 million in severance expense associated with our announcement on Feb 6, 2023.

# Supplemental non-GAAP measures

## Interest and other

\$ in millions	4Q22	1Q23	2Q23	3Q23	4Q23
<b>GAAP interest and other, net:</b>					
Investment income, primarily interest	12	15	16	21	48
Gain on investments, net	192	14	(255)	44	(9)
Interest expense	(287)	(265)	(298)	(272)	(387)
Foreign exchange	(69)	(89)	(66)	(72)	(38)
Other <sup>1</sup>	(1,505)	(12)	(32)	(1,029)	120
<b>GAAP interest and other, net</b>	<b>(1,657)</b>	<b>(337)</b>	<b>(635)</b>	<b>(1,308)</b>	<b>(266)</b>
<b>Adjustments:</b>					
Non-GAAP adjustments <sup>2</sup>	1,322	(21)	264	955	(117)
<b>Non-GAAP interest and other, net</b>	<b>(335)</b>	<b>(358)</b>	<b>(371)</b>	<b>(353)</b>	<b>(383)</b>
<i>I&amp;O as a % of non-GAAP revenue</i>	1.2%	1.4%	1.4%	1.4%	1.6%

<sup>1</sup> During 4Q22, other includes debt extinguishment fees of \$1.5B primarily related to the early retirement of certain Investment Grade Notes. During 3Q23, other includes \$1.0B expense recognized for the Class V litigation settlement.

<sup>2</sup> Consists of the fair value adjustments on strategic equity investments as well as adjustments for \$1.5B of debt extinguishment fees during 4Q22 and \$1.0B expense recognized for the Class V litigation settlement during 3Q23.

# Supplemental non-GAAP measures

## Net income from continuing operations

\$ in millions	4Q22	1Q23	2Q23	3Q23	4Q23
<b>GAAP net income from cont. ops</b>	<b>(29)</b>	<b>1,069</b>	<b>506</b>	<b>241</b>	<b>606</b>
<b>Non-GAAP adjustments:</b>					
Amortization of intangibles	323	243	244	245	238
Impact of purchase accounting <sup>1</sup>	20	9	3	21	11
Transaction costs (income) <sup>2</sup>	1,492	(2)	(4)	4	(14)
Stock-based compensation	216	232	236	235	228
Other corporate expenses <sup>3</sup>	45	96	212	1,112	392
Fair value adjustments on equity investments <sup>4</sup>	(192)	(14)	255	(44)	9
Aggregate adjustment for income taxes <sup>5</sup>	(485)	(199)	(186)	(109)	(148)
<b>Total adjustments</b>	<b>1,419</b>	<b>365</b>	<b>760</b>	<b>1,464</b>	<b>716</b>
<b>Non-GAAP net income</b>	<b>1,390</b>	<b>1,434</b>	<b>1,266</b>	<b>1,705</b>	<b>1,322</b>
<i>NI % of non-GAAP revenue</i>	<i>5.0%</i>	<i>5.5%</i>	<i>4.8%</i>	<i>6.9%</i>	<i>5.3%</i>

<sup>1</sup> This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction in 3Q17.

<sup>2</sup> Consists of acquisition, integration, and divestiture-related costs and gains. 4Q22 includes \$1.5B debt extinguishment fees primarily related to the early retirement of certain Investment Grade Notes.

<sup>3</sup> Consists of impairment charges, incentive charges related to equity investments, severance, facility action, other costs, and effective Q1FY23, payroll taxes associated with stock-based compensation. During Q2FY23, other corporate expenses also includes asset impairment charges and other costs associated with exiting our business in Russia. During 3Q23, other includes \$1.0B expense recognized for the Class V litigation settlement. 4Q23 contains \$367 million in severance expense associated with our announcement on Feb 6, 2023.

<sup>4</sup> Consists of the gain (loss) on strategic investments, which includes recurring fair value adjustments on equity investments.

<sup>5</sup> Consists of the tax effects of non-GAAP adjustments, as well as an adjustment for discrete tax items.

# Supplemental non-GAAP measures

## Net income attributable to Dell Technologies Inc. from continuing operations

\$ in millions	4Q22	1Q23	2Q23	3Q23	4Q23
<b>GAAP net income from cont. ops attributable to Dell Technologies Inc.</b>	<b>(28)</b>	<b>1,072</b>	<b>511</b>	<b>245</b>	<b>614</b>
Amortization of intangibles	323	243	244	245	238
Impact of purchase accounting <sup>1</sup>	20	9	3	21	11
Transaction costs (income) <sup>2</sup>	1,492	(2)	(4)	4	(14)
Stock-based compensation	216	232	236	235	228
Other corporate expenses <sup>3</sup>	45	96	212	1,112	392
Fair value adjustments on equity investments <sup>4</sup>	(192)	(14)	255	(44)	9
Aggregate adjustment for income taxes <sup>5</sup>	(485)	(199)	(186)	(109)	(148)
Total non-GAAP adjustments attributable to non-controlling interests	(1)	(2)	(3)	(2)	(6)
<b>Total adjustments</b>	<b>1,418</b>	<b>363</b>	<b>757</b>	<b>1,462</b>	<b>710</b>
<b>Non-GAAP net income attributable to Dell Technologies Inc.</b>	<b>1,390</b>	<b>1,435</b>	<b>1,268</b>	<b>1,707</b>	<b>1,324</b>

<sup>1</sup> This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction in 3Q17.

<sup>2</sup> Consists of acquisition, integration, and divestiture-related costs and gains. 4Q22 includes \$1.5B debt extinguishment fees primarily related to the early retirement of certain Investment Grade Notes.

<sup>3</sup> Consists of impairment charges, incentive charges related to equity investments, severance, facility action, other costs, and effective Q1FY23, payroll taxes associated with stock-based compensation. During Q2FY23, other corporate expenses also includes asset impairment charges and other costs associated with exiting our business in Russia. During 3Q23, other includes \$1.0B expense recognized for the Class V litigation settlement. 4Q23 contains \$367 million in severance expense associated with our announcement on Feb 6, 2023.

<sup>4</sup> Consists of the gain (loss) on strategic investments, which includes recurring fair value adjustments on equity investments.

<sup>5</sup> Consists of the tax effects of non-GAAP adjustments, as well as an adjustment for discrete tax items.

# Supplemental non-GAAP measures

## Earnings per share - basic and diluted

\$ in millions, except per share figures

	4Q22	1Q23	2Q23	3Q23	4Q23
<b>GAAP net income from cont. ops attributable to Dell Technologies Inc.</b>	<b>(28)</b>	<b>1,072</b>	<b>511</b>	<b>245</b>	<b>614</b>
Weighted-average shares outstanding - basic	763	754	739	728	716
<b>GAAP EPS attributable to Dell Technologies Inc. - basic</b>	<b>(\$0.04)</b>	<b>\$1.42</b>	<b>\$0.69</b>	<b>\$0.34</b>	<b>\$0.86</b>
<b>GAAP net income attributable to Dell Technologies Inc. - diluted</b>	<b>(28)</b>	<b>1,072</b>	<b>511</b>	<b>245</b>	<b>614</b>
Weighted-average shares outstanding - diluted	763	780	755	743	735
<b>GAAP EPS attributable to Dell Technologies Inc. - diluted</b>	<b>(\$0.04)</b>	<b>\$1.37</b>	<b>\$0.68</b>	<b>\$0.33</b>	<b>\$0.84</b>
<b>Non-GAAP net income attributable to Dell Technologies Inc.</b>	<b>1,390</b>	<b>1,435</b>	<b>1,268</b>	<b>1,707</b>	<b>1,324</b>
Weighted-average shares outstanding - basic	763	754	739	728	716
<b>Non-GAAP EPS attributable to Dell Technologies Inc. - basic</b>	<b>\$1.82</b>	<b>\$1.90</b>	<b>\$1.72</b>	<b>\$2.34</b>	<b>\$1.85</b>
<b>Non-GAAP net income attributable to Dell Technologies Inc. - diluted</b>	<b>1,390</b>	<b>1,435</b>	<b>1,268</b>	<b>1,707</b>	<b>1,324</b>
Weighted-average shares outstanding - diluted	810	780	755	743	735
<b>Non-GAAP EPS attributable to Dell Technologies Inc. - diluted</b>	<b>\$1.72</b>	<b>\$1.84</b>	<b>\$1.68</b>	<b>\$2.30</b>	<b>\$1.80</b>

# Supplemental non-GAAP measures

## Adjusted EBITDA

\$ in millions	4Q22	1Q23	2Q23	3Q23	4Q23
<b>GAAP net income</b>	<b>(29)</b>	<b>1,069</b>	<b>506</b>	<b>241</b>	<b>606</b>
<b>Adjustments:</b>					
Interest and other, net <sup>1</sup>	1,657	337	635	1,308	266
Income tax provision (benefit)	(19)	144	129	213	317
Depreciation and amortization	830	726	744	832	854
<b>EBITDA</b>	<b>2,439</b>	<b>2,276</b>	<b>2,014</b>	<b>2,594</b>	<b>2,043</b>
<b>Adjustments:</b>					
Impact of purchase accounting <sup>2</sup>	8	-	-	-	-
Transaction costs (income) <sup>3</sup>	(22)	5	3	8	6
Stock-based compensation	216	232	236	235	228
Other corporate expenses <sup>4</sup>	45	96	196	109	498
<b>Adjusted EBITDA</b>	<b>2,686</b>	<b>2,609</b>	<b>2,449</b>	<b>2,946</b>	<b>2,775</b>
<i>Adj EBITDA % of non-GAAP revenue</i>	<i>9.6%</i>	<i>10.0%</i>	<i>9.3%</i>	<i>11.9%</i>	<i>11.1%</i>

<sup>1</sup> During 4Q22, interest and other includes \$1.5B of debt extinguishment costs. During 3Q23, other includes \$1.0B expense recognized for the Class V litigation settlement.

<sup>2</sup> This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction in 3Q17.

<sup>3</sup> Consists of acquisition, integration, and divestiture-related costs and gains.

<sup>4</sup> Consists of impairment charges, incentive charges related to equity investments, severance, facility action, other costs, and effective Q1FY23, payroll taxes associated with stock-based compensation.

During Q2FY23, other corporate expenses also includes asset impairment charges and other costs associated with exiting our business in Russia.

# Supplemental non-GAAP measures

## Free cash flow

\$ in millions	4Q22	1Q23	2Q23	3Q23	4Q23
<b>Cash flow from operations</b>	<b>3,093</b>	<b>(269)</b>	<b>724</b>	<b>396</b>	<b>2,714</b>
<b>Adjustments:</b>					
Capital expenditures and capitalized software development costs, net	(719)	(690)	(807)	(747)	(749)
<b>Free cash flow</b>	<b>2,374</b>	<b>(959)</b>	<b>(83)</b>	<b>(351)</b>	<b>1,965</b>
<b>Adjustments:</b>					
DFS financing receivables	475	(280)	202	364	175
DFS operating leases <sup>1</sup>	128	158	134	81	127
<b>Free cash flow before impact from DFS related items</b>	<b>2,977</b>	<b>(1,081)</b>	<b>253</b>	<b>94</b>	<b>2,267</b>

<sup>1</sup> Amount represents change in net carrying value of equipment for DFS operating leases.

# Supplemental non-GAAP measures

## Adjusted free cash flow

\$ in millions <sup>1</sup>	FY20	FY21	FY22	FY23
<b>Cash flow from operations</b>	<b>9,291</b>	<b>11,407</b>	<b>10,307</b>	<b>3,565</b>
<b>Adjustments:</b>				
Capital expenditures and capitalized software development costs, net	(2,553)	(2,062)	(2,755)	(2,993)
<b>Free cash flow</b>	<b>6,738</b>	<b>9,345</b>	<b>7,552</b>	<b>572</b>
<b>Adjustments:</b>				
DFS financing receivables	1,329	728	241	461
DFS operating leases <sup>2</sup>	819	474	394	500
<b>Free cash flow before impact from DFS related items</b>	<b>8,886</b>	<b>10,547</b>	<b>8,187</b>	<b>1,533</b>
<b>VMware cash flow from operations</b>	<b>3,872</b>	<b>4,409</b>	<b>3,220</b>	<b>-</b>
<b>Adjustments:</b>				
VMware capital expenditures	(279)	(329)	(263)	-
<b>VMware free cash flow</b>	<b>3,593</b>	<b>4,080</b>	<b>2,957</b>	<b>-</b>
<b>Free cash flow, excluding VMware, before impact from DFS related items</b>	<b>5,293</b>	<b>6,467</b>	<b>5,230</b>	<b>1,533</b>

<sup>1</sup> Amounts are based on underlying data and may not visually foot due to rounding.

<sup>2</sup> Amount represents change in net carrying value of equipment for DFS operating leases.

# Supplemental FY20 - FY23 non-GAAP Measures

*\$ in millions, except per share amounts*

	FY20	FY21	FY22	FY23
<b>Revenue</b>	\$ 84,815	\$ 86,670	\$ 101,197	\$ 102,301
Impact of purchase accounting <sup>1</sup>	229	106	32	-
<b>Non-GAAP revenue</b>	<b>\$ 85,044</b>	<b>\$ 86,776</b>	<b>\$ 101,229</b>	<b>\$ 102,301</b>
<b>Net income from continuing operations attributable to Dell Technologies Inc.</b>	<b>\$ 525</b>	<b>\$ 2,249</b>	<b>\$ 4,948</b>	<b>\$ 2,442</b>
Amortization of intangibles	2,971	2,133	1,641	970
Impact of purchase accounting <sup>1</sup>	274	144	67	44
Transaction costs <sup>2</sup>	116	(332)	(2,143)	(16)
Stock-based compensation	245	487	808	931
Other corporate expenses <sup>3</sup>	844	268	337	1,812
Fair value adjustment on equity investments <sup>4</sup>	(159)	(427)	(572)	206
Aggregate adjustment for income taxes <sup>5</sup>	(1,361)	(772)	(156)	(642)
Total non-GAAP adjustments attributable to non-controlling interest	(4)	(6)	(7)	(13)
<b>Total adjustments to Net income attributable to Dell Technologies Inc.</b>	<b>\$ 2,926</b>	<b>\$ 1,495</b>	<b>\$ (25)</b>	<b>\$ 3,292</b>
<b>Non-GAAP net income attributable to Dell Technologies Inc.</b>	<b>\$ 3,451</b>	<b>\$ 3,744</b>	<b>\$ 4,923</b>	<b>\$ 5,734</b>
<b>Net income attributable to Dell Technologies Inc.</b>	<b>\$ 525</b>	<b>\$ 2,249</b>	<b>\$ 4,948</b>	<b>\$ 2,442</b>
Weighted-average shares outstanding - basic	724	744	762	734
<b>Earnings per share attributable to Dell Technologies Inc. - basic</b>	<b>\$ 0.73</b>	<b>\$ 3.02</b>	<b>\$ 6.49</b>	<b>\$ 3.33</b>
Weighted-average shares outstanding - diluted	751	767	791	753
<b>Earnings per share attributable to Dell Technologies Inc. - diluted</b>	<b>\$ 0.70</b>	<b>\$ 2.93</b>	<b>\$ 6.26</b>	<b>\$ 3.24</b>
<b>Non-GAAP Net income attributable to Dell Technologies Inc.</b>	<b>3,451</b>	<b>3,744</b>	<b>4,923</b>	<b>5,734</b>
Weighted-average shares outstanding - basic	724	744	762	734
<b>Non-GAAP earnings per share attributable to Dell Technologies Inc. - basic</b>	<b>\$ 4.77</b>	<b>\$ 5.03</b>	<b>\$ 6.46</b>	<b>\$ 7.81</b>
Weighted-average shares outstanding - diluted	751	767	791	753
<b>Non-GAAP earnings per share attributable to Dell Technologies Inc. - diluted</b>	<b>\$ 4.60</b>	<b>\$ 4.88</b>	<b>\$ 6.22</b>	<b>\$ 7.61</b>

<sup>1</sup> This amount includes non-cash purchase accounting adjustments primarily related to the EMC merger transaction.

<sup>2</sup> Consists of acquisition, integration, and divestiture-related costs and gains.

<sup>3</sup> Consists of impairment charges, severance, facilities action, incentive charges related to equity investments, and other costs.

<sup>4</sup> Consists of the gain (loss) on strategic investments, which includes recurring fair value adjustments on equity investments.

<sup>5</sup> Consists of the tax effects of non-GAAP adjustments, as well as an adjustment for discrete tax items.

# Appendix C

Supplemental Recast Financial Statements

**DELL**Technologies

# Balance Sheet

## Assets

	\$ in millions				
	4Q22	1Q23	2Q23	3Q23	4Q23
<b>Current assets:</b>					
Cash and cash equivalents	9,477	6,654	5,507	4,904	8,607
Accounts receivable, net	12,912	11,837	13,431	11,431	12,482
Due from related parties, net	131	131	195	203	378
Short-term financing receivables, net	5,089	4,796	4,860	4,915	5,281
Inventories, net	5,898	6,277	5,883	6,172	4,776
Other current assets	11,526	11,681	12,386	11,157	10,827
<b>Total current assets</b>	<b>45,033</b>	<b>41,376</b>	<b>42,262</b>	<b>38,787</b>	<b>42,351</b>
Property, plant, and equipment, net	5,415	5,516	5,772	5,847	6,209
Long-term investments	1,839	1,868	1,520	1,534	1,518
Long-term financing receivables, net	5,522	5,398	5,450	5,659	5,638
Goodwill	19,770	19,598	19,505	19,366	19,676
Intangible assets, net	7,461	7,217	6,972	6,728	6,468
Due from related parties, net	710	713	609	612	440
Other non-current assets	6,985	6,720	6,685	6,639	7,311
<b>Total assets</b>	<b>92,735</b>	<b>88,406</b>	<b>88,775</b>	<b>85,172</b>	<b>89,611</b>

# Balance Sheet

## Liabilities and equity

	\$ in millions				
	4Q22	1Q23	2Q23	3Q23	4Q23
<b>Current liabilities:</b>					
Short-term debt	5,823	5,925	6,647	6,767	6,573
Accounts payable	27,143	25,585	25,339	22,507	18,598
Due to related parties, net	1,414	622	1,269	712	2,067
Accrued and other	7,578	6,598	6,810	7,915	8,874
Short-term deferred revenue	14,261	14,329	14,724	14,106	15,542
<b>Total current liabilities</b>	<b>56,219</b>	<b>53,059</b>	<b>54,789</b>	<b>52,007</b>	<b>51,654</b>
Long-term debt	21,131	21,197	20,287	20,562	23,015
Long-term deferred revenue	13,312	13,074	13,301	12,983	14,744
Other non-current liabilities	3,653	3,431	3,153	2,988	3,223
<b>Total liabilities</b>	<b>94,315</b>	<b>90,761</b>	<b>91,530</b>	<b>88,540</b>	<b>92,636</b>
Total Dell Technologies Inc. stockholders' equity (deficit)	(1,685)	(2,462)	(2,860)	(3,469)	(3,122)
Non-controlling interest	105	107	105	101	97
<b>Total stockholders' equity (deficit)</b>	<b>(1,580)</b>	<b>(2,355)</b>	<b>(2,755)</b>	<b>(3,368)</b>	<b>(3,025)</b>
<b>Total liabilities, redeemable shares and stockholders' equity (deficit)</b>	<b>92,735</b>	<b>88,406</b>	<b>88,775</b>	<b>85,172</b>	<b>89,611</b>

# Consolidated GAAP results<sup>1</sup>

\$ in millions, except per share amounts	FY22	FY23	Y/Y
<b>Revenue</b>	<b>101,197</b>	<b>102,301</b>	<b>1%</b>
<b>Gross Margin</b>	<b>21,891</b>	<b>22,686</b>	<b>4%</b>
<i>Gross Margin as a % of Revenue</i>	<i>21.6%</i>	<i>22.2%</i>	
SG&A	14,655	14,136	-4%
R&D	2,577	2,779	8%
<b>Operating Expense</b>	<b>17,232</b>	<b>16,915</b>	<b>-2%</b>
<i>Operating Expense as a % of Revenue</i>	<i>17.0%</i>	<i>16.6%</i>	
<b>Operating Income</b>	<b>4,659</b>	<b>5,771</b>	<b>24%</b>
<i>Operating Income as a % of Revenue</i>	<i>4.6%</i>	<i>5.6%</i>	
<b>Interest and Other, Net</b>	<b>1,264</b>	<b>(2,546)</b>	<b>-301%</b>
<b>Income Tax</b>	<b>981</b>	<b>803</b>	<b>-18%</b>
<i>Effective tax rate %</i>	<i>16.6%</i>	<i>24.9%</i>	
<b>Net Income from Continuing Operations</b>	<b>4,942</b>	<b>2,422</b>	<b>-51%</b>
Income from discontinued operations, net of taxes	765	-	-100%
<b>Net Income</b>	<b>5,707</b>	<b>2,422</b>	<b>-58%</b>
Less: Net Income attributable to non-controlling interests from cont. ops	(6)	(20)	-233%
Less: Net Income attributable to non-controlling interests from discount. ops	150	-	-100%
<b>Net Income attributable to Dell Technologies Inc. - basic</b>	<b>5,563</b>	<b>2,442</b>	<b>-56%</b>
Less: Incremental dilution from discount. ops	7	-	
<b>Net Income attributable to Dell Technologies Inc. - diluted</b>	<b>5,556</b>	<b>2,442</b>	<b>-56%</b>
<b>Earnings Per Share from cont. ops - basic</b> <sup>2</sup>	<b>\$6.49</b>	<b>\$3.33</b>	<b>-49%</b>
<b>Earnings Per Share from cont. ops - diluted</b> <sup>2</sup>	<b>\$6.26</b>	<b>\$3.24</b>	<b>-48%</b>
Earnings Per Share from discount. ops - basic <sup>2</sup>	\$0.81	-	-100%
Earnings Per Share from discount. ops - diluted <sup>2</sup>	\$0.76	-	-100%

<sup>1</sup> Results include material adjustments related to purchase accounting and other items. For additional detail on these adjustments, please refer to supplemental slides in Appendix B.

<sup>2</sup> See Appendix B for weighted average shares and EPS calculation.

# Appendix D

FY23 Q4 Guidance

# Supplemental non-GAAP Measures

## Financial Guidance<sup>1</sup>

(in billions, except per share amounts)	1Q24		FY24	
	Gross margin	Diluted EPS	Interest and other, net	Diluted EPS
<b>GAAP guidance</b>	<b>\$4.6 - \$4.9</b>	<b>\$0.18 - \$0.48</b>	<b>\$1.7</b>	<b>\$3.11 - \$3.71</b>
<b>Estimated adjustments for:<sup>2</sup></b>				
Impact of purchase accounting and amortization of intangibles <sup>3</sup>	0.1	0.26	-	1.05
Stock-based compensation	-	0.30	-	1.20
Other corporate and transaction related expenses <sup>4</sup>	-	0.01	-	0.03
Fair value adjustments on equity investments <sup>2</sup>	-	-	-	0.00
Aggregate adjustment for income taxes <sup>5</sup>	-	(0.10)	-	(0.39)
<b>Non-GAAP guidance</b>	<b>\$4.7 - \$5.0</b>	<b>\$0.65 - \$0.95</b>	<b>\$1.7</b>	<b>\$5.00 - \$5.60</b>

<sup>1</sup> Amounts are subject to change with no obligation to reconcile these estimates. Amounts may not visually foot due to underlying data. Reconciliations are not provided for net revenue as, effective Q1FY23, there are no longer adjustments to net revenue.

<sup>2</sup> No estimates are included for 1Q24 and FY24 guidance purposes on potential fair value adjustments on strategic investments given the potential volatility of either gains or losses on those equity investments.

<sup>3</sup> Impact of purchase accounting and amortization of intangibles represents an estimate for acquisitions completed as of February 3, 2023 and does not include estimates for potential acquisitions, if any, during FY24.

<sup>4</sup> Consists of acquisition, integration, divestiture-related, and other costs. No estimate is included for any potential severance expense as it cannot be reasonably estimated at this time.

<sup>5</sup> The aggregate adjustment for income taxes is the estimated combined income tax effect for the adjustments shown above.

# Appendix E

Business Units Trending

# Business units trending

Strong, balanced growth as customers continue to invest in their digital futures

		4Q22	FY22	1Q23	2Q23	3Q23	4Q23	FY23
		\$ in millions						
<b>Dell Technologies</b>	Revenue	27,992	101,197	26,116	26,425	24,721	25,039	102,301
	Operating Income	1,609	4,659	1,550	1,270	1,762	1,189	5,771
	Non-GAAP Revenue <sup>1</sup>	28,000	101,229	26,116	26,425	24,721	25,039	102,301
	Non-GAAP Operating Income <sup>1</sup>	2,191	7,785	2,135	1,952	2,380	2,170	8,637
<b>Client Solutions Group</b>	CSG Revenue	17,329	61,464	15,587	15,490	13,775	13,361	58,213
	Operating Income	1,157	4,365	1,115	978	1,060	671	3,824
	Commercial Revenue	12,891	45,576	11,971	12,141	10,747	10,697	45,556
	Consumer Revenue	4,438	15,888	3,616	3,349	3,028	2,664	12,657
<b>Infrastructure Solutions Group</b>	ISG Revenue	9,219	34,366	9,285	9,536	9,630	9,905	38,356
	Operating Income	1,102	3,736	1,082	1,046	1,374	1,543	5,045
	Servers & Networking Revenue	4,720	17,901	5,048	5,209	5,201	4,940	20,398
	Storage Revenue	4,499	16,465	4,237	4,327	4,429	4,965	17,958
<b>Other Businesses</b>	Other Revenue	1,448	5,388	1,239	1,399	1,313	1,770	5,721
	Operating Loss	(71)	(319)	(64)	(71)	(57)	(48)	(240)

<sup>1</sup> See supplemental slides in Appendix B for reconciliation of non-GAAP measures to GAAP.



**DELL**Technologies